



## SPENDING AND SAVING MONEY

### Grocery Prices Increase at a Slower Rate Than Inflation

During this decade, the annual inflation rate for food-at-home has averaged only 3.3 percent. Other studies puts the rate even lower, based on the growing belief among economists that the Consumer Price Index overstates inflation.

By household size, grocery spending ranges from an average of \$49 per week in one-person households to \$130 per week in households of five or more. Per-person spending is inversely correlated with household size: per-person weekly expenditures are only \$23 in households with five or more members but \$49 in one-person homes.

### Saving Money

Shoppers continue to take advantage of supermarket specials, coupons and store brands, and remain concerned about low prices. But the ways in which shoppers economize are changing. For example, coupon use continues to decline: 21 percent of respondents in FMI's 2000 edition of *Trends – Consumer Attitudes and the Supermarket* said they never use coupons.

Shoppers are economizing less frequently, rather than not economizing at all, according to the 2000 edition of FMI's *Trends*. Over the last 10 years, there has been a downward shift in economizing behaviors. In 1990, nearly four in 10 shoppers (38 percent) said they looked in the newspapers for grocery specials; today three in 10 do so (30 percent). In 2000, nearly one-quarter of the shoppers surveyed said they never consult newspapers for specials. (See Chart 1.)

Price remains a high priority for shoppers when selecting a supermarket. More than three-quarters (78 percent) rate their supermarkets as “excellent” or “good” in providing good, low prices, according to FMI's *Trends*. Nearly nine in 10 shoppers (88 per-

cent) say their supermarkets do a “good” or “excellent” job of providing sale items or money-saving specials.

On nearly every trip, 20 percent of shoppers compare prices at different supermarkets. While 23 percent compare prices at “least fairly often,” 32 percent are comparing prices “only occasionally” and 25 percent “never” do so.

### Store Brand Purchases Increase

Purchases of store or lower-priced brands, instead of national brands decreased with 14 percent doing so “pretty much every time” they shop – down one percentage point from 1999. Over half of consumers (51 percent) are doing so “every time” or “fairly often” when they shop. Almost one in four (21 percent) of larger households (five or more members) report purchasing store brands “every time” they shop and slightly more (23 percent) with annual incomes under \$15,000.

### Saving Habits Vary Demographically

Shopper groups vary in how often they use money-saving measures. For example:

- **Household income** – Average weekly household spending ranges from \$60 for shoppers earning under \$15,000 to \$123 for those earning more than \$75,000 per year. Spending on groceries at the consumer's primary store also increases with

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### What Shoppers Do to Save Money



Source: *Trends in the United States — Consumer Attitudes and the Supermarket, 2000*

income – from \$50 per week for those families earning \$15,000 or less per year to \$100 per week for those earning over \$75, 000

- **Region** – Average weekly household spending in 2000 varied somewhat across regions, with shoppers in the Midwest spending \$77; the South \$85; the East, \$89 and the West, \$91.

## Frequent Shopper Programs and Alternative Store Formats

Nearly five out of 10 shoppers (45 percent) said that their primary store offers frequent shopper programs or savings clubs — down five points from only a year ago. Shoppers are taking advantage of these programs: 67 percent reported using them once a week and 21 percent one to three times a month.

The *Trends* survey asked shoppers about purchases at specialty retailers that compete with supermarkets on

specific types or categories of items. The survey found that 24 percent purchase their pet supplies, office supplies or cosmetics at a specialty discount stores “every time” or “fairly often.”

Approximately 14 percent of shoppers buy groceries at warehouse club stores “every time they shop” or “fairly often.” Slightly more than one in 10 (11 percent) frequent a low price, no-frills store “every time” they grocery shop on “fairly often.” Twenty-six percent purchase groceries at discount stores “every time” they shop these stores or “fairly often.” ■

**Chart 1**  
**How Often Shoppers Economize**

	Pretty Much Every Time	Fairly Often	Occasi- onally	Never	Not Sure
Participate in Supermarket Frequent Shopper in savings club programs	27%	14%	17%	39%	3%
Look in newspaper for grocery specials	30	24	23	24	*
Stock up on bargains	22	37	32	9	*
Use cents-off coupons received in mail or from newspapers/magazines	21	22	34	23	*
Use cents-off coupons received in store such as off the shelf, at checkout or at a kiosk	12	20	44	24	*
Compare prices at different supermarkets	20	23	32	25	*
Buy products on special	13	36	43	6	*
Go to supermarkets other than principal one for advertised specials	7	21	46	27	*
Use mail-in rebates for cash refunds	5	10	35	50	*

\*Less than 0.5 percent

Source: *Trends in the United States — Consumer Attitudes and the supermarket, 2000*



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